

**Sean O'Dell**  
**Executive Director, Windsor Gateway Project (DRIC)**



Mr. Sean O'Dell is currently the Executive Director of the Windsor Gateway Project with Transport Canada (the Canadian federal government's transportation department).

Mr. O'Dell has more than 25 years of experience working with governments, international organizations and multi-national companies. In addition, he has considerable experience in developing broad strategic assessments and recommendations in a wide variety of financial, economic and policy areas.

Over the past 25 years, Mr. O'Dell has occupied positions with the Government of Alberta Treasury in Edmonton, Alberta; in the Economics Department of the University of Western Ontario in London, Ontario; as Chief Economist of the International Energy Agency (OECD) in Paris, France; and as a private consultant based in Paris, France and Toronto, Canada.

In 2003, Mr. O'Dell rejoined the Canadian federal government as Acting Director General, Policy and Economics in the Large Final Emitters Group at Natural Resources Canada. He has been with Transport Canada since 2005 and represents the Canadian federal government in the bi-national partnership with the United States to implement a 30-year transportation strategy addressing the various challenges at the Windsor-Detroit Gateway, including free and secure trade, security, environmental concerns and community impacts.

## **Shelley Harding-Smith**



Shelley Harding-Smith was born and raised in Windsor. She attended H.E. Bondy public school then Massey Secondary School, Centennial Secondary School and St. Clair College. She became an Indentured Electrical Apprentice and eventually became a Master Electrician/Electrical Contractor.

Shelley has worked at Harding Electric the company owned and operated by her parents Morris Harding and Ruth Henderson-Harding. She has also worked at Wickes, Windsor Bumper, Boblo Island, the Corporation of the City of Windsor – Parks and Recreation. She worked at Daimler/Chrysler and was a member of Local 444.

Shelley Harding-Smith dedicates much of her time to volunteering in the community. She has been a volunteer at General Brock Public School in many roles. She is a founding member of E1-0Shaddai Missionary Baptist Church, in Michigan, and it's treasurer. She volunteers for the Multicultural Council and was the North American Black Historical Museum Board Secretary for 2 years. She received the Greater Essex County District School Board – Champion for Education Award in 1998.

In 2000, Ms. Harding-Smith was first elected to the Greater Essex County District School Board Trustee – Wards One, Two and Three.

Shelley Harding-Smith was appointed by the City of Windsor as Master Electrician Board of Examiners (Electrical Contractors).

**Jayson Myers**  
**President and CEO of Canadian Manufacturers & Exporters**



Jayson Myers is the President & CEO of Canadian Manufacturers & Exporters, Canada's largest industry and trade association. CME is dedicated to improving business conditions for Canada's manufacturers and exporters and helping its more than 5,000 members compete and win in domestic and international markets.

Mr. Myers is also the Chair of the Canadian Manufacturing Coalition, a coalition of over 40 industry associations that have come together to speak with a common voice on priority issues for Canada's manufacturing sector.

Mr. Myers is a well-known economic commentator, and is widely published in the fields of Canadian and international economics, technological and industrial change. He has been recognized by consulting firm Watson Wyatt as the most accurate economic forecaster in Canada.

Mr. Myers sits on special advisory councils to the Minister of International Trade, the Minister of Industry, Immigration Canada, Human Resources Development Canada, and the Canadian Border Services Agency. He is co-chair of Canada's Roundtable on Workforce Skills and Vice-Chair of both the Ontario Manufacturing Council and the Great Lakes Manufacturing Council.

Mr. Myers studied at Queen's University, Kingston and the University of British Columbia in Canada, and at the London School of Economics and Oxford University in the United Kingdom. He has held teaching and research positions at Oxford University and Warwick University, also in the U.K.

## **Mayor Eddie Francis, City of Windsor**



The youngest Mayor in the history of the City of Windsor, Eddie Francis was first elected Mayor in November 2003, and since then, he and City Council have achieved a record of ambitious accomplishments.

Windsor's downtown has been and continues to be revitalized. The establishment of two new downtown campuses for St. Clair College, the Windsor International Transit Terminal, and the proposed development of a downtown canal/marina and urban village development, complement a major expansion of the first ever Canadian Caesars property. Caesars Windsor is Ontario's third largest convention centre which includes a 5,000 seat coliseum and a 400-plus-room hotel tower.

Financially, Windsor is back on the right track.

Mayor Francis was elected on a promise of fiscal reform, and Windsor's long-term debt has been slashed from a projected \$250 million in 2004 to \$182 million today. It will be further cut to \$119 million by 2014. At the same time, Windsor has achieved an average of a 1 percent tax levy in the past five years.

In response to the global recession, Mayor Francis introduced a \$646 million capital infrastructure plan – the largest in Windsor's history. This aggressive plan will transform our neighbourhoods and our transportation networks, including Windsor International Airport (YQG), building a modern, competitive city for commerce and job creation.

Under the Mayor's leadership, City Council commissioned a groundbreaking report which assessed and promoted the need for new inter-modal transportation systems and border crossings that are fully integrated with trade routes across North America and beyond. This report laid the foundation for the future new border crossing and highway connection, and it resulted in increasing the original \$300 million at-grade highway connection to a \$1.8 billion roadway and a new bridge connecting Windsor and Detroit.

Before his election, Eddie Francis ran a very successful small family business with his brothers. He was awarded the Windsor Chamber of Commerce Business Excellence Award as the Young Entrepreneur of the Year.

Eddie graduated with a combined undergraduate degree in chemistry and biochemistry from the University of Western Ontario. He went on to graduate from the University of Windsor Law School, completed his articles with international law firm Miller Canfield Paddock and Stone, and was called to the Bar in 2002. He is a member of the Law Society of Upper Canada.

Eddie Francis is married to Dr. Michelle Prince, a Doctor of Chiropractic who has a family wellness practice in Windsor. They have two children, daughter Sienna and son Phoenix.

**Opening Remarks by Roy Norton, Consul General of Canada at Detroit, to the Michigan State Senate Committee on Economic Development, Wednesday, June 15, 2011 (leading into a presentation by Helena Borges, Assistant Associate Deputy Minister, Transport Canada)**

First, I wish to note for the record that, as officers of the Government of Canada, our presence before this Committee today is on a voluntary basis and that our presentation relates solely to the issue of the proposed New International Trade Crossing.

Mr. Chairman, Senators, I'm joined by Helena Borges, a senior official at Canada's Department of Transport. She has been Canada's lead on the proposed bridge for several years. Once I've set the stage, Helena will address substantive issues relating to the project. We will both be available to answer your questions – for as long as you'd like.

As Canada's Consul General to Michigan since last September, I've travelled extensively in your state. Obviously, I spend a lot of time at our offices in Detroit. But I've met and spoken with tremendous groups of people in places some of you know intimately – like Battle Creek, Jackson, Muskegon, Mt. Pleasant, Grand Rapids – and, of course, Lansing. Several of you have come out on those occasions. I'm grateful for the opportunity to have met and spoken with you directly – and appreciate the seriousness with which you have treated this important public policy issue along the way.

In the course of my travels, it's become evident to me that Michiganders see Canada as a friend, ally, partner and very good customer. In fact, we're your best customer. By far. Michigan exports more to Canada than you do to your next 25 international destinations put together. That includes agriculture. Fully 30% of everything grown in Michigan is exported to Canada.

The converse is equally true. Michigan buys more from Canada than

from any jurisdiction in the world – save and except the USA as a whole.

Two way trade is enormous: \$62 billion between Michigan & CDA in 2010. It grew last year by 43% over 2009 – just in one year! And it looks as if this year, Michigan-Canada trade is on track to set an all-time record.

Trade – particularly of the magnitude we're talking about – can seem very abstract. In reality, it's about jobs. And enhanced profitability for companies.

237,000 jobs in Michigan depend on trade with Canada. 119,364, to be precise, in the counties that the Members of this Committee collectively represent. In other words, there are jobs in almost every county of Michigan that depend on companies being able to move things back and forth across the frontier with Canada - & to do so efficiently.

Trade between your state and my country is very good for both of us. I would note that we have similar economies. Essentially, we don't compete with one another on wages. But, together, we have developed one, almost totally-integrated economy. To fully realize our potential, particularly in Central Canada, we need Michigan to resume its position as a powerhouse in the US economy. The Canadian market, and our high propensity to buy US-made goods – growing as the CDN \$ appreciates – likewise will be key to Michigan achieving the kind of growth that you, on this Committee, are mandated to foster.

Now you've heard advocates of the bridge 'status quo' say, on air, that the auto industry "isn't coming back." We don't believe that – and hope you don't either. To argue against the need for a new crossing – especially when the current one at Detroit is 82-years old – is to dismiss the US and Canadian economies as being in some kind of terminal tailspin. We don't believe that either.



Canada was the first G-8 country to come out of recession. We're experiencing solid GDP growth. Statistics just out show that our imports from the US are up again – reaching their highest levels since November of 2008. Of course, all of that stuff has to move. Most of it does so by truck.

Population growth in our two countries by itself ensures that trade will grow. Today, we have a combined population of 350 million. In 30 years, it'll be more than 450 million. We think it's time to put the gloom and doom behind us – and provide, as responsible public officials, for the infrastructure necessary to accommodate inevitable growth in traffic.

I should emphasize that the proposed bridge is an issue of national – not just regional – importance. 34 states have Canada as their most important export destination. Much less than half of the truck traffic crossing the Ambassador Bridge today represents Michigan-Canada trade. Which is why the Ohio State Senate unanimously endorsed

the new bridge. And it's why the US federal government is fully supportive. As you already know, the proposed crossing is Canada's #1 national infrastructure priority.

Your Committee, and your Legislature, in other words, have big responsibilities. This project is vital to ensure the employment future of, literally, millions of Americans and millions of Canadians – whose jobs depend on goods moving, without undue disruption, at Detroit-Windsor every day. Millions of today's jobs and millions of tomorrow's jobs. Because, as we know, companies make investment decisions with 30-40-50 year time horizons.

Any company whose business plan relies on moving things, in either direction, across the Michigan-Ontario frontier, needs to know that reliable, 21<sup>st</sup> Century infrastructure will be in place well-into the future. If, between us, we can't provide that assurance, we're pretty convinced, based on what companies have told us, that they'll look elsewhere. Already, there are four crossings of the Niagara River. A

fifth is being planned. Failure to act will be disruptive for our companies. Over time, they might tend to locate their operations closer to the Niagara frontier, and would likely shift their buying and selling patterns, dealing more with companies on the U.S. side that set up closer to those Niagara bridges. It's for you and your colleagues to decide if that scenario would be attractive for Michigan.

One final point – that perhaps we can come back to in questions. This project also has significant national security implications. It will be a vital piece of the critical strategic infrastructure linking our two countries.

Thank you for your time today. I'd like to turn now to my colleague Helena Borges, who will continue with the Government of Canada's presentation.

Thank you Roy.

My name is Helena Borges and I am the Associate Assistant Deputy Minister for Policy – Gateways and Infrastructure at Transport Canada.

I am the senior Government of Canada official tasked with development and implementation of the new bridge between Windsor and Detroit.

### **Project Financing**

Last year I accompanied the former Minister of Transport, John Baird, when he appeared before the Senate Transportation Committee. At that time, Minister Baird stated: "Since Michigan will not be funding this project, Michigan taxpayers will bear no risks in this transaction." I am here to reiterate that this remains the position of the Government of Canada.

Allow me to begin my presentation on the very important issue of project financing.

As you are aware, Canada has offered to contribute \$550 million to cover the costs of the project components in Michigan that would normally be the responsibility of the state. These include land acquisition and construction of the interchange connection with Interstate 75 and the toll portion of the plaza. We expect that the United States federal government will be funding its homeland security responsibilities for the customs portion of the inspection plaza.

I would like to correct some inaccurate allegations that have been made with respect to Canada's offer. Most importantly, the funding is not a loan, but a contribution to the project that will be repaid solely from future toll revenues. As the funding is not a loan, neither Michigan nor Michigan taxpayers will have any obligation to repay the Government of Canada or the Bridge Authority. The \$550 million will be dedicated exclusively to project components on the U.S. side. The funds will be used to acquire property and to pay for the construction of the toll plaza and the interchange with I-75.

Simply stated – neither the State of Michigan nor its taxpayers have any financial responsibility for building the crossing.

We are looking to the private sector to build the crossing through a public-private partnership. Under such an approach, availability payments would be made to the private sector concessionaire based on the concessionaire's performance in constructing, operating and maintaining the bridge as an asset available for public use. Payments to the private sector concessionaire would not be tied to toll revenues. Rather, the concessionaire would receive installment payments of a fixed amount over the 30-50 year term of the concession. These fixed installments are referred to as "availability payments."

Toll revenue from the bridge will be used to make the availability payments. If there is a shortfall, Michigan will not be responsible. Canada will cover any shortfalls in toll revenue necessary to make all availability payments to the concessionaire.

Before any contractual arrangement can be signed with the private sector concessionaire, that entity will look through any governance and contractual arrangements to see where the buck stops. That buck stops with Canada. Canada will be there with its \$550 million commitment to cover the construction costs of Michigan's project components; and Canada will be there to ensure availability payments are made.

To put it clearly, Canada is on the hook, Michigan is not.

The legislation you are considering is also clear - Michigan is not financially liable for any construction costs or for making any availability based payments—those are all to Canada's account. We are confident that the \$550 million plus any shortfall between actual toll revenue and the availability payments will ultimately be recovered from longer-term toll revenues.

We have already made public the traffic and revenue projections for this project. As Roy noted, we are confident that cross-border trade and traffic will continue to grow. Our forecasts indicate that over a 30 year period, passenger vehicle traffic will double and truck traffic will triple. For this reason, we are confident that the toll revenues will cover construction, financing and operating costs.

In any event, let me stress again: Canada is on the hook, Michigan is not.

## **Public Policy Objectives**

Together, Canada and Michigan will establish the public policy objectives for the project such as those pertaining to enhanced trade, safety, security, environmental protection, and community engagement. In essence, this is how we currently work together at the Blue Water Bridge and the Sault Ste. Marie Bridge. This is also how Canada works with the State of New York for the many publicly owned bridges that we share with that state.

Canada and Michigan will jointly establish a bi-national bridge authority with representation appointed by both governments. Michigan will also continue to play the key role of engaging U.S. federal and municipal agencies.

Michigan is and will continue to be a full partner in this important project, which has important and significant public policy impacts for both Michigan and Canada.

Michigan and Canada will jointly determine the performance specifications for the concession agreement with the private-sector partner for the construction and operation of the crossing. Canada and Michigan will also be responsible for ensuring that the private sector concessionaire adheres to the public policy objectives and performance specifications included in the agreement.

The concession agreement will be overseen by the Bridge Authority and payments will be conditional on the private sector concessionaire complying with all requirements.

Another critical public policy objective is the security of the new crossing. The new crossing will provide redundancy which will facilitate continuous cross-border traffic in the event of an incident at one of the other local crossings. Most importantly, the new crossing will have both primary and secondary inspection facilities at the bridge plaza. This will be much more secure than the present arrangement at the Ambassador Bridge where secondary inspection is about 2 miles away from the bridge plaza. We continue to work with the Department of Homeland Security, the Royal Canadian Mounted Police and the Canada Border Services Agency to ensure that the new crossing incorporates the latest security standards in the design and operations crossing.

### Ambassador Bridge

I would also like to take this opportunity to address the Government of Canada's dealings with the Ambassador Bridge and to dispel some of the misinformation you may have heard.

Let me start by saying, unequivocally, that Canada is not anti-Ambassador Bridge. We believe in a competitive transportation system that supports economic growth and prosperity through the efficient and secure movement of goods and people across the Canada-U.S. border. We also believe that the Ambassador Bridge as well as the other border operators will continue to play a vitally important role in cross-border trade in this region.



In April of this year, the bridge company, after three years of inaction, has finally submitted its Environmental Impact Statement to build a second span adjacent to the existing bridge.

In Canada, before a second span can be built, the Ambassador Bridge will require environmental approvals under the *Canadian Environmental Assessment Act*, authority under the *Navigable Waters Protection Act*, as well as construction approval under our *International Bridges and Tunnels Act*. As of today, no regulatory approval has been sought.

As you know, in the United States, the new span will also require approval from the United States Coast Guard.

While the Ambassador Bridge has not received any approval, it has already commenced building the ramp for the second span on the Canadian side contrary to Canadian law. Consequently, the Minister of Transport has had to issue a cease and desist order to the bridge company.

None of the approvals required in Canada has been granted because the environmental assessment has not yet been completed, as the revised Environmental Impact Statement was only recently re-submitted by the Ambassador Bridge. The Canadian environmental assessment process remained on hold for more than three years because the Ambassador Bridge chose not to submit the requested information after the first draft of its Environmental Impact Statement was submitted in December 2007.

The revised submission is now being reviewed by responsible Canadian agencies. This review is expected to take at least one year to complete and will include public consultation.

### Conclusion

In closing, let me recap the points that I have addressed.

First, Michigan will bear no financial risk during the construction of the project or for the duration of the operational life of the project. Canada is on the hook and Michigan is not.

Second, as a major public infrastructure project, the crossing will always remain under public ownership and Michigan will own the new crossing jointly with Canada and will be a full partner to Canada in overseeing the construction and operation of the crossing.

Third, the Ambassador Bridge does not yet have any of the required approvals from the Government of Canada to build its second span.

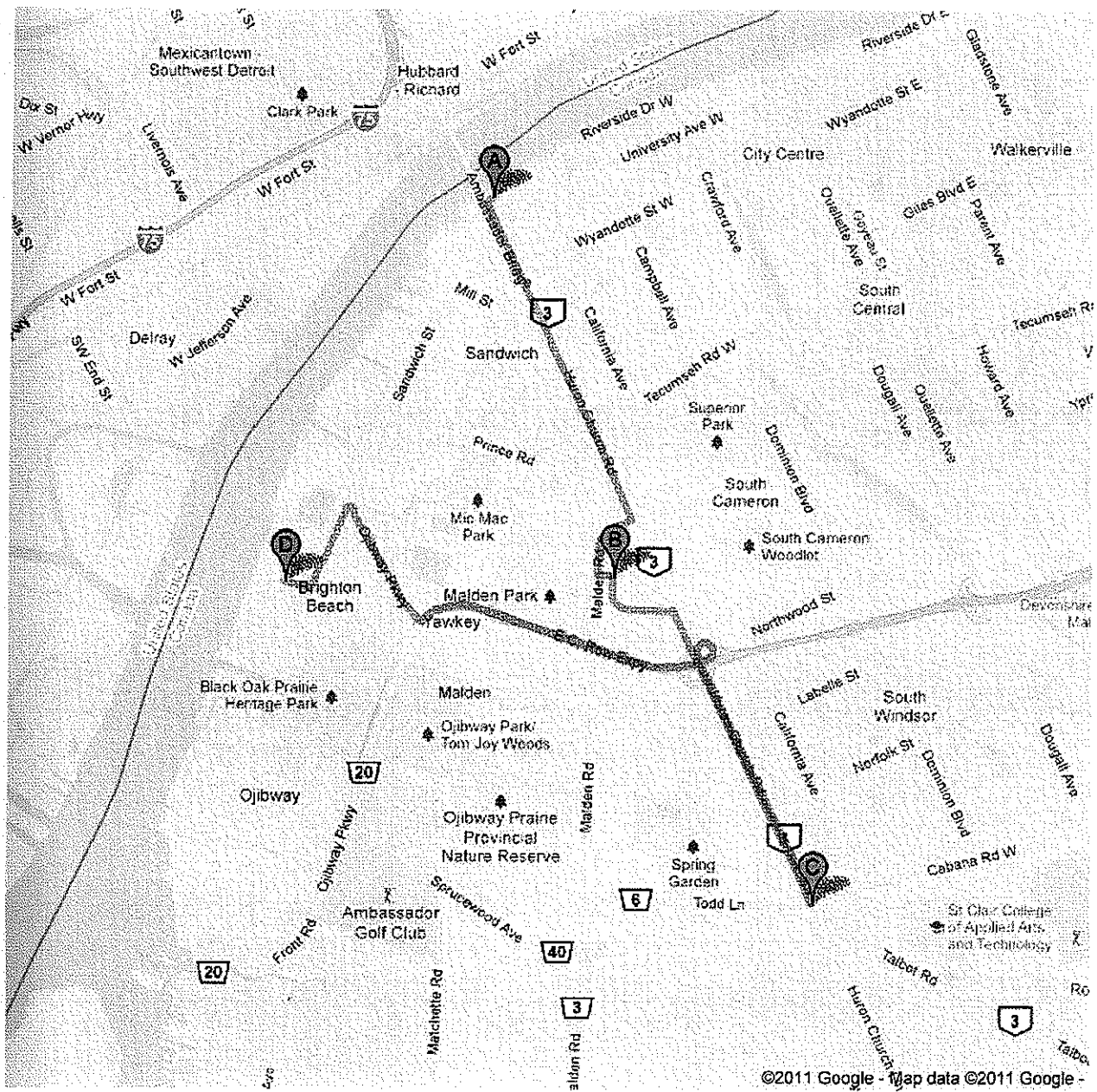
Let me conclude by stressing that both Canada and Michigan need to work together to get this project built. Canada is committed and we're ready to proceed.

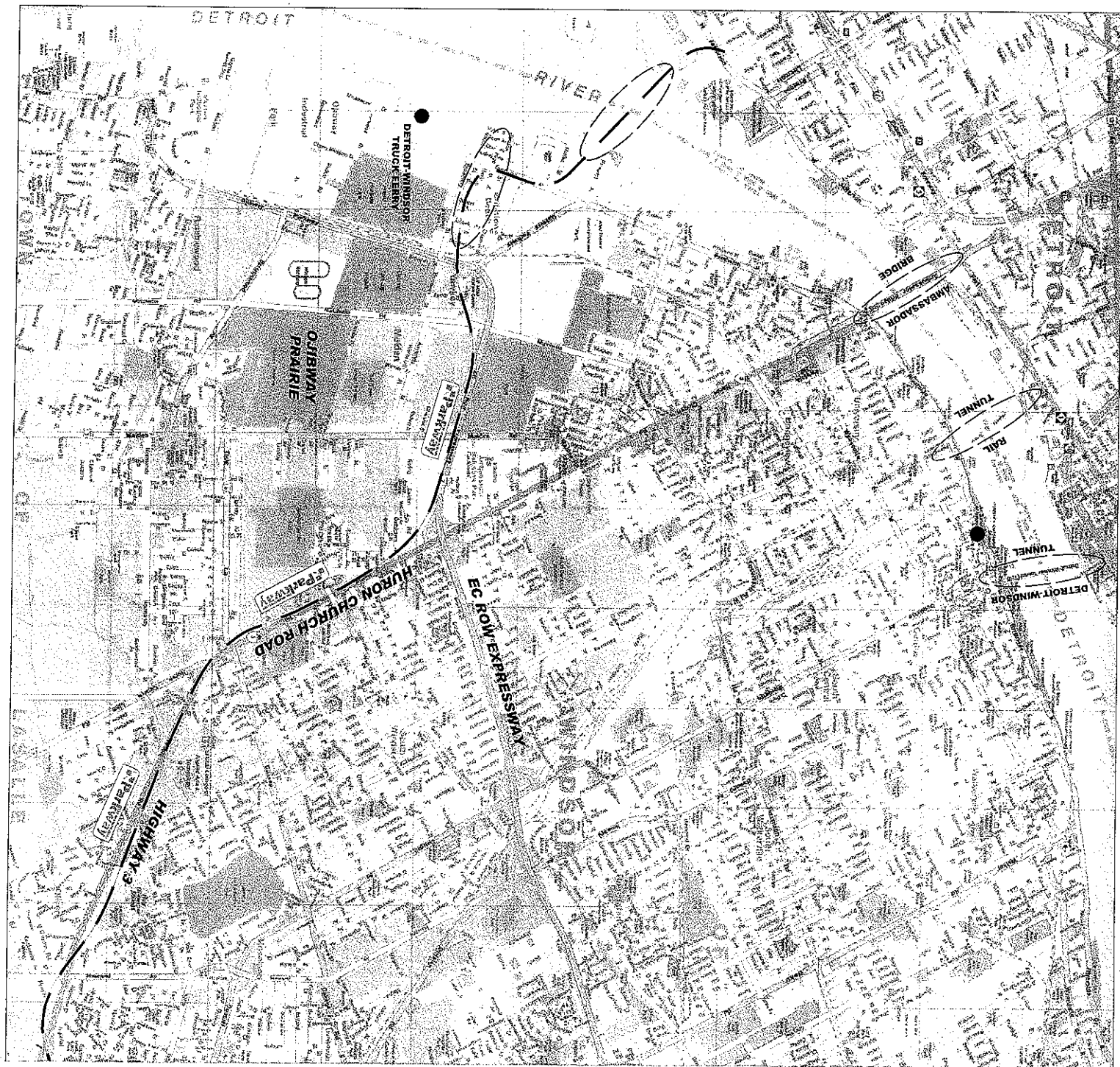
I'm pleased to say that the Province of Ontario is equally enthusiastic and is partnering with the Canadian Government to build the new Windsor-Essex Parkway leading to the new crossing, also through a public-private partnership. Ontario concluded the negotiations with the private sector consortium in December 2010 and construction of the Parkway will commence later this year.

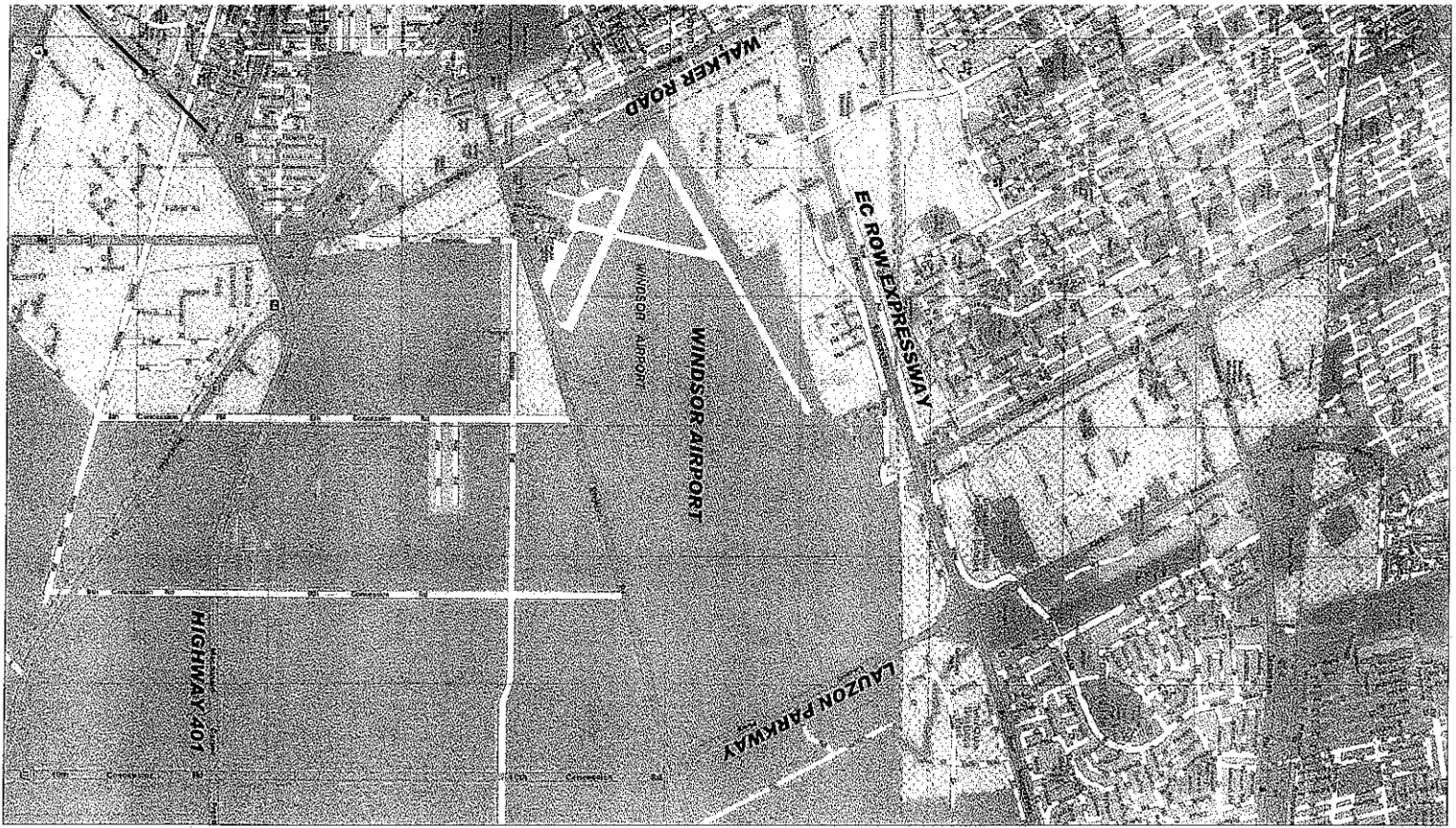
I ask for your support to build this critical public infrastructure project so that we can help bring thousands of much needed jobs to the region that will help to unleash unlimited opportunities for the economies of Michigan and Ontario and help to grow the strongest trading relationship in the world.

Thank you very much and I would be pleased to answer your questions.

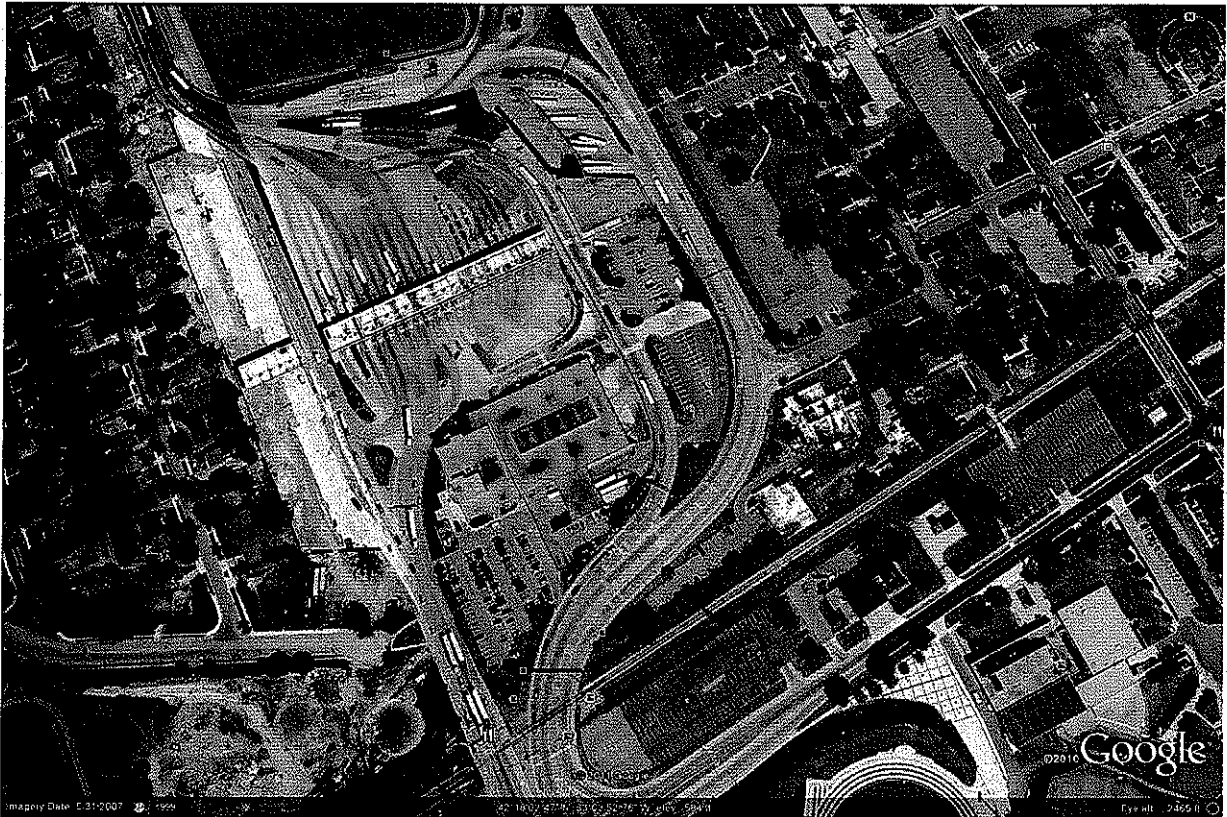
- A - Ambassador Bridge Canadian Plaza  
B - CBSA secondary offsite facility  
C - Proposed route of Windsor-Essex Parkway  
D - Proposed site - Canadian plaza







## Ambassador Bridge Canadian plaza



- Environmental Assessment has recently begun
- Existing footprint too small for on-site commercial secondary inspection
- Existing plaza is constrained for expansion (University, historic gravesite, rail line, old Sandwich town)
- New commercial booths built to the west of inspection plaza were built against the clear advice of Customs and cannot be used since public road would compromise security of plaza and safety of officers
- New ramp was built in violation of Canadian law and completed without federal approval
- Cease and Desist order was issued by Minister of Transport
- Significant community opposition to expansion
- Municipal Demolition Control Bylaw in effect



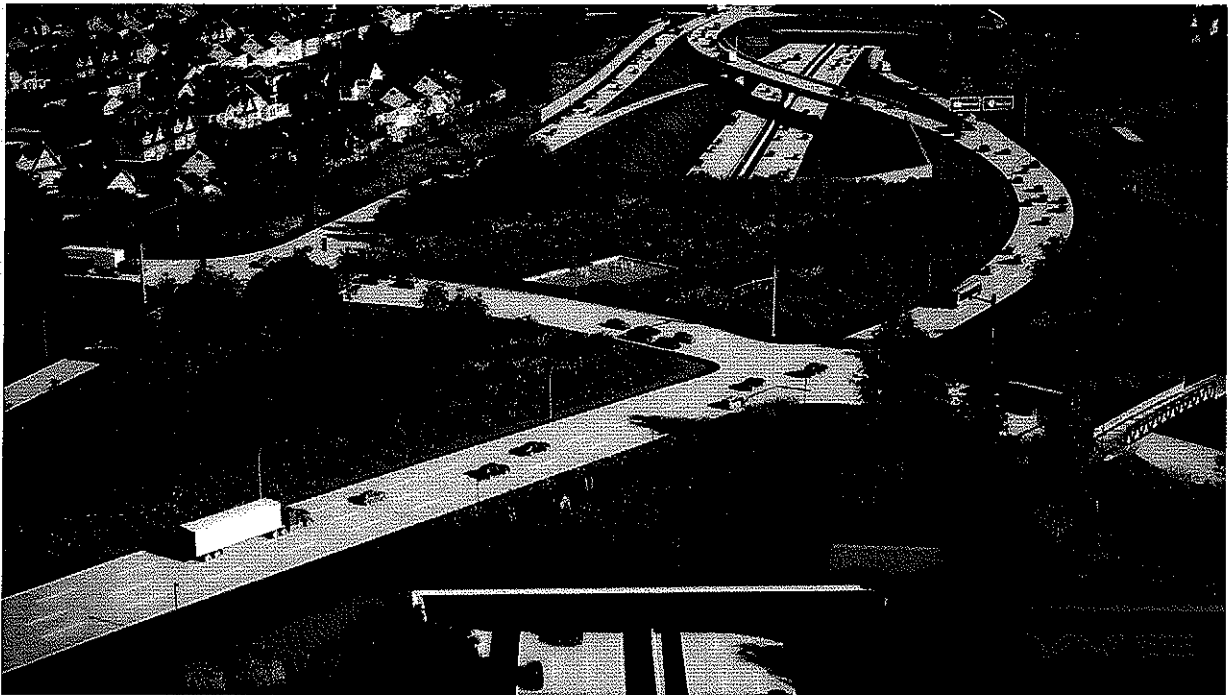
## CBSA secondary offsite facility



- Facility is more than 2 miles from bridge
- High risk loads sent for inspection must be escorted
- Redundancy in staffing given two locations
- Security concerns



## Proposed route of Windsor-Essex Parkway



- Windsor-Essex Parkway will be a 6 lane, below grade freeway
- Over 7 miles in length
- Parkway will eliminate existing "stop and go" traffic (no stoplights on Parkway)
- New four lane service road to be built parallel to Parkway
- Parkway will benefit existing crossings by elimination of seven stoplights (ten will remain)
- Parkway will cost \$1.4 Billion – significantly less than anticipated. Funding for project to come from Government of Canada and private-sector. None of the costs for the Parkway will come from new bridge revenue

### Parkway features:

- 11 tunnels totaling over one mile
- 300 acres green space
- more than 12 miles of recreational trail

## **Proposed site – Canadian Plaza**



- Environmental Assessment completed
- Majority of required land already acquired
- Located in an industrial section of Windsor

### **Plaza features:**

- 132 acres (43 acres of buffer)
- 29 inbound lanes
- On-site secondary inspection
- Dedicated NEXUS and FAST lanes
- Plaza will include state-of-the art security measures
- Significant footprint for future expansion or implementation of future security standards